



---

---

# OIG NEWS

---

---

Office of Inspector General  
330 Independence Ave., SW  
Washington, D. C. 20201  
(202) 619-1343

For Immediate Release  
February 14, 2003

## Johns Hopkins University Will Pay \$800,000 To Resolve Medicare Fraud Case

Inspector General Janet Rehnquist and the United States Attorney for the District of Maryland Thomas M. DiBiagio announced today that they have entered into an \$800,000 settlement agreement with Johns Hopkins University (JHU) to resolve charges of fraudulent Medicare billings. The settlement resolves a federal investigation under the False Claims Act arising from alleged false or improper billings for the services of teaching physicians to beneficiaries of the Medicare program covering the period January 1, 1994 to December 31, 1994.

This settlement results from an Inspector General initiative to review compliance with the rules governing reimbursement to physicians at teaching hospitals (also known as the PATH initiative). PATH is intended to verify compliance with the Medicare rules governing payment for services provided by teaching physicians and to ensure that all claims for their services accurately reflect the level of care provided to the patient. In order to receive a separate payment from Medicare Part B for a service rendered to a patient, the teaching physician must have personally provided that service or have been present when the resident furnished the care.

“Improper billings harm all of us, and this settlement reflects the government’s determination to ensure the American taxpayers that the vast sums expended on Medicare are managed with integrity and responsibility,” stated Inspector General Janet Rehnquist. “We cannot and will not tolerate the misappropriation of our scarce health care resources, and those who violate the rules and regulations for participation in the federal health care programs will be held accountable.”

According to the allegations, Johns Hopkins submitted or caused the submission of false claims to the Medicare program on behalf of certain faculty physicians employed by the university without documentation to show that these physicians were personally involved in providing the services claimed by JHU. Instead, the government contends these services were actually delivered by an intern or resident of the teaching hospital.

Under the terms of the settlement, Johns Hopkins agrees to review its Medicare billing practices to ensure teaching physicians properly document their involvement in the care they bill to Medicare. The University also agreed to ensure that its policies, on a going-forward basis, are consistent with the requirement that services provided by medical residents are not reimbursable as physician services by Medicare.

As part of the settlement, OIG reserves the right to press for the exclusion of JHU or particular physicians from receiving future reimbursement from Medicare, Medicaid or other Federal health care programs. The University did not enter into a Corporate Integrity Agreement with the OIG.

# # #